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IN THE

Supreme Court of the United States

OCTOBER TERM, 1937

No. [redacted] 1

GENERAL TALKING PICTURES CORPORATION,
Petitioner,

vs.

WESTERN ELECTRIC COMPANY, INC., ELECTRICAL RESEARCH PRODUCTS, INC. and AMERICAN TELEPHONE AND TELEGRAPH COMPANY,
Respondents.

MEMORANDUM ON BEHALF OF RESPONDENTS.

We have shown in our brief in opposition to the petition that the Transformer Company, from which petitioner purchased the amplifiers in question, had no right to make that sale. It was *beyond the scope of the seller's license* and therefore was an *unlicensed sale*—an infringement—which could convey no rights upon petitioner under respondents' patents.

On page 1 of its reply brief, petitioner makes the wholly unfounded statement that "Exactly this situation existed, and the same contention was made, in each of the cases cited by petitioner in support of its petition." and refers to *Adams* v. *Burke*, 17 Wall 453; *Hobbie* v. *Jennison*, 149 U. S. 355; *Straus* v. *Victor*, 243 U. S. 490; and *Motion Pictures Patent* Case, 243 U. S. 502. In none of these cases did this situation exist; in none of them was this contention made.

In *Adams* v. *Burke, supra,* and also *Hobbie* v. *Jennison, supra,* the sale was made by an assignee of the entire right in the patent for a particular territory, who had the unquestioned right to make the sale in the territory where it was in fact made. And this Court so found, stating in both cases that the articles in question were "lawfully made and sold."[1] In neither case was the sale an infringing one.

So also in *Straus* v. *Victor, supra,* the phonographs in question were made and sold by the patent owner itself, the Victor Company, to a dealer from whom they were purchased by the defendant, Straus. The phonographs were therefore lawfully made and sold.[2]

And finally, in the *Motion Picture Patents Case, supra,* the motion picture machine was made and sold to the Seventy-second Street Amusement Company by the Precision Machine Co. within the scope of its license. It was a licensed sale, and not an infringing sale as in the case at bar. The point of the decision was that the restriction imposed in conjunction with such a *licensed* sale, confining the use of the machine to use with unpatented supplies to be purchased from the patentee, was improper and invalid. It has no pertinency here where the sale to petitioner was not licensed or authorized by the patent owner and where we are not concerned in any way with any restriction regarding the supplies with which a patented machine may be used.

Respectfully submitted,

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HENRY R. ASHTON,
Counsel for Respondents.

Of Counsel:
F. T. WOODWARD,
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E. J. DRISCOLL.

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[1] *Adams* v. *Burke,* 17 Wall. 453, *457; Hobbie* v. *Jennison,* 149 U. S. 355, *363.*

[2] *Straus* v. *Victor,* 243 U. S. 490, *496.*

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